DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

The federal Bureau of Foreign and Domestic Commerce has issued:

Special Agents Series:

No. 187, *Jewelry and Silverware in Chile, Bolivia, and Peru,* by S. W. Rosenthal (Washington, 1919, pp. 115).

No. 191, *Farm Implements and Machinery in France and North Africa,* by Lawrence Groves (1920, pp. 36).

No. 193, *British Industrial Reconstruction and Commercial Policies,* by Fred W. Powell (1920, pp. 88).

Miscellaneous Series:

No. 84, *Commercial Handbook of China,* Volume 1, by Julean Arnold (1919, pp. 628).

No. 86, *Brazil, A Study of Economic Conditions since 1913,* by Arthur H. Redfield (1920, pp. 99).

No. 90, *The Economic Position of Switzerland during the War,* by Louis A. Rufener (1919, pp. 88).

No. 91, *Economic Aspects of the Commerce and Industry of the Netherlands, 1912-1918,* by Blaine F. Moore (1919, pp. 109).

No. 98, *Training for the Steamship Business,* by R. S. MacElwee (1920, pp. 49).

Hearings before the Senate Committee on Commerce (66 Cong., 1 Sess.) on *Free Zones in Ports* have been printed (Washington, 1919, pp. 129).

The United States Department of Agriculture has issued *Trend of the Butter Industry in the United States and Other Countries* (Washington, Dec., 1919, pp. 24) and *Trend of the Cheese Industry in the United States and Other Countries,* by T. R. Pirtle (Nov., 1919, pp. 24); also *Crop Estimates, 1910-1919* (pp. 28).

The Federal Trade Commission has begun the periodic issue of current information on the cost of production of coal, based upon monthly reports made by operators; and has published the first volume of its *Decisions, Findings, Orders and Conference Rulings.* Copies may be obtained from the Superintendent of Public Documents, price $1.50. The volume covers decisions for March 16, 1915 to June 30, 1919.

Further cost reports of the Federal Trade Commission on coal are

No. 2, *Pennsylvania, Anthracite* (Washington, 1919, pp. 145); No. 3, *Illinois, Bituminous* (1920, pp. 127).

There have appeared the hearings before the House Committee on Ways and Means held in June and July, 1919, on *Dyestuffs* (Washington, pp. 739).

Recent reports dealing with shipping are: *Annual Report of the Commissioner of Navigation* (Washington, 1919, pp. 216) and *Third Annual Report of the United States Shipping Board* (1919, pp. 213).

The Advisory Committee on Policies and Platform of the Republican National Committee has prepared a *Questionnaire on Merchant Marine* (19 West 44th St., New York, pp. 6).

The *Annual Report of American Sugar Refining Company, 1919,* contains charts illustrating sugar consumption, production, and prices in the United States and foreign countries.

The Supply and Distribution of Connecticut Valley Tobacco is the title of a bulletin issued by the Massachusetts Experiment Station and prepared by Samuel H. DeVault under the supervision of Professor Alexander E. Cance.

Corporations

VALUATION PROVISIONS OF THE TRANSPORTATION ACT, 1920. The Transportation act of 1920 recognizes the dual problems involved in fixing railroad rates. The Interstate Commerce Commission is granted "reasonable latitude to modify or adjust any *particular* rate which it finds unjust or unreasonable." But the significant contribution of the new act is the standard direct for measuring *total* income:

> In the exercise of its power to prescribe just and reasonable rates, the Commission shall initiate, modify, establish or adjust such rates so that carriers as a whole (or as a whole in each of such of rate groups or territories as the Commission may from time to time designate) will, under honest, efficient and economical management and reasonable expenditures for maintenance of way, structures and equipment, earn an aggregate annual net railway operating income equal, as nearly as may be, to a *fair return upon the aggregate value of the railway property* of such carriers held for and used in the service of transportation.

From a rule of negation designed to protect the railroads from "confiscation" an affirmative program has been evolved. This directs a conscious effort to regulate total railroad earnings. Heretofore the "reasonableness" of individual rates has received the burden of emphasis in the opinions of the Interstate Commerce Commission.[1] But

[1] See the discussion in the writer's *Railroad Valuation*, pp. 1-7, in the cases there cited, and in the *Fifteen Per Cent Case*, 45 I. C. A. 303.

the doctrine written into the Interstate Commerce act by the provisions of the amendment of 1920 goes beyond the common law doctrine of rate reasonableness recognized in the original act of 1887. It goes beyond the very doctrine of constitutional law upon which it is based. When Justice Harlan in 1898 declared that "the company is entitled to ask . . . a fair return upon the value of that which it employs for the public convenience,"[2] he sought only to *guarantee a minimum.* The act of 1920, using the "fair return upon value" formula, directs the establishment of schedules with the frank aim of *limiting maximum revenue.* In short, it seeks to secure for the public a part of any future "unearned increments" which may accrue in railroad earnings.

For the two years following March 1, 1920, the act directs that the commission shall take, as the total fair return to *all* carriers, a sum equal to 5½ per cent of the aggregate value of the transportation properties of all carriers. The commission may, however, "in its discretion," add to this amount an additional ½ per cent to provide improvements, betterments or equipment (presumably so-called "unproductive improvements"), properly chargeable to capital account. The mandate of Congress governs only for two years following the return of the roads to their private owners. Thereafter the "legislative discretion" is delegated to the commission: the commission will determine and publish the percentage which shall constitute the "fair rate of return."[3]

The percentage measures the fair return upon the value of *all* roads, or upon the value of all roads within any groups which the commission may establish. The device of throwing all the carriers into one big basket avoids the problem of determining the rate of return which shall accrue to each carrier. The latter figure will thus be a

[2] *Smyth* v. *Ames,* 169 U. S. 466, 546. The Mississippi statute of 1884 which came before the court in *Stone* v. *Farmers' Loan & Trust Company,* 116 U. S. 307, 309, directed the State Railroad Commission to revise the carriers' tariffs, permitting "a fair and just return on the value of such railroad, its appurtenances, and equipment." The California statute directing local bodies regulating water rates to "estimate, as nearly as may be, the value," etc., was identified by Justice Holmes with the value rule of the Supreme Court. *San Diego Land & Town Tompany* v. *Jasper,* 189 U. S. 439, 442.

[3] For the distinction between the legislative and judicial viewpoints see *Minnesota Rate Cases,* 230 U. S. 352, 432; and the fuller discussion in *Knoxville* v. *Knoxville Water Co.,* 212 U. S. 1, 16; *Willcox* v. *Consolidated Gas Co.,* 212 U. S. 19, 41; *Louisville* v. *Cumberland T. & T. Co.,* 225 U. S. 430, 436; *L. & N. R. R. Co.* v. *Garrett,* 231 U. S. 299, 313. It is in the latter case that the phrase "legislative discretion" is used.

result of the rate level set, and not, as is the *total* figure, a cause. Only when and if consolidation builds up the earnings of present "weak" systems, and "waters" the earnings of strong systems ("so that these systems can employ uniform rates in the movement of competitive traffic, and under efficient management, earn substantially the same rate of return upon the value of their respective railway properties"[4]) will the differential element in railroad net earnings tend to disappear. In the interim, the Transportation act proposes that the public shall take a share of the earnings above a minimum, 6 per cent of the "value."[5]

The commission, then, must seek to apply the value formula as a rule of rate making. It must establish reasonable rates, that, applied to a carrier's traffic as a whole, do not result in net earnings "so unreasonably low" as to be confiscatory.[6] The act seems to seek a program which might be interpreted as meeting the vague requirements of the dicta of Justice Harlan:

> What the company is entitled to ask is a fair return upon the value of that which it employs for the public convenience. On the other hand, what the public is entitled to demand is that no more be exacted from it for the use of a public highway than the services rendered by it are reasonably worth.[7]

But will a formula using "aggregate value" serve to meet the requirements of the confiscation doctrine set up by the Supreme Court?

[4] *Transportation Act of 1920,* sec. 407, amending section 5 of the Interstate Commerce act.

[5] One half of the excess over this 6 per cent, which, in the present state of the act, is a standard, regardless of any action of the commission in subsequently establishing a fair rate of return above or below this figure, the act leaves with the carrier. The company half of the excess must be retained as a reserve, until the accumulation equals 5 per cent of the value of the property. Only for the purpose of paying interest, dividends, or rentals may a carrier draw on this reserve, and then only to the extent that its net railway operating income for any year is less than a sum equal to 6 per cent of the property value. Thereafter the carrier may use its half for "any lawful purpose." Presumably, though on this subject the act is silent, if reinvested in plant, as, for example, if spent for double tracking, enlarging tunnels, or eliminating curvature, the amounts so "put back into the property" will receive recognition in the value figure. The other half of any excess above 6 per cent the carrier will pay into a "revolving fund," the property of the United States administered by the commission. This "general railroad contingent fund" will be loaned to carriers for new capital expenditures or for refunding maturing obligations, or will be expended for equipment and facilities to be leased subsequently to the railroads.

[6] The phrase "so unreasonably low" first appears in the supplemental *Smyth* v. *Ames* case, 171 U. S. 361, 364-5.

[7] *Smyth* v. *Ames,* 169 U. S. 466, 546.

Who can say? For even if the Interstate Commerce Commission declares that it finds schedules carry reasonable individual rates, the Supreme Court may declare such individual rates confiscatory, as was done with the state-made rates in the North Dakota coal case.[8] Or schedules as a whole, not "so unreasonably low" as to be declared confiscatory for some railroads, may be declared confiscatory for a "weak" line in the same territory. The Minnesota rates which were permitted to go into effect on the Great Northern and Northern Pacific were condemned for use by the Minneapolis and St. Louis.[9]

Thus two distinct tasks bearing upon the valuation problem are placed with the commission by the Transportation act of 1920. One, that of fixing the rate of return, need cause no present concern: 5½-6 per cent is provided for two years. But the other, that of finding "value," demands immediate attention. A figure of value, however determined, is prerequisite to the application of the "fair return on value" doctrine. But the Transportation act does not define value, nor does it either suggest or dictate how value shall be determined. In this respect there is no advance over the vague requirements of the Valuation act. "Aggregate value" and not "fair value" is the phrase now used; there is no reference to the "cost values" and "values and other elements of value" referred to in the earlier statute. Gratuitous admonitions of a general character the new act does contain. The commission is directed to give "due consideration to all the elements of value recognized by the law of the land for rate-making purposes," and it is adjured to give to the property investment account "only that consideration which under such law it is entitled to in establishing values for rate-making purposes." And there is specific language that, when value has been "finally" ascertained under the provisions of the Valuation act of 1913, "the value so ascertained shall be deemed by the Commission to be the value . . . for the purpose of determining . . . aggregate value." Whatever uncertainty there may have been concerning the intention of Congress in passing the Valuation act, there need be no present doubt; the commission must proceed to the task of fixing "final value." The figure of aggregate value, the commission will determine "from time to time and as often as may be necessary." In the calculation of the rate levels for 1920-1922, the act contemplates that the commission will utilize its investigations under the Valuation act "in so far as deemed by it available."

That these investigations can be of great present assistance one

[8] *Northern Pacific Ry. Co.* v. *North Dakota*, 236 U. S. 585.

[9] *Minnesota Rate Cases*, 230 U. S. 352.

must be very skeptical, and skeptical for two reasons. In the first place the investigations have not proceeded far enough, even upon the hypotheses used, to have a volume of comparable data in shape to meet the situation which the commission must face as the guarantee period of six months after March 1, 1920, approaches an end. And, in the second place, the commission is still seeking a theory of "value," and its preliminary hypotheses are uncertain. In one very important particular, indeed, the "valuation" of land as it may be affected by the "present cost" of condemning land, the commission has been but recently overruled by the Supreme Court.[10] It seems probable that in the fixing of rates for 1920-1922, the commission must fall back upon the carrier investment accounts, as in 1914, 1915, and 1917.[11]

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The counsel of the President's Conference Committee submitted a brief, under date of December 10, 1919, to the Interstate Commerce Commission *In re the Question of Value for Purposes under the Act to Regulate Commerce of the Owned or Used Common Carrier Property of a Railroad* (Philadelphia, Secretary of the President's Conference Committee, pp. 257).

This committee has also published *Arguments on "Value" presented to the Interstate Commerce Commission early in January, 1920,* dealing with the valuation of various railroads under consideration.

House Report No. 456 (66 Cong., 1 Sess.) deals with the *Return of Railroads to Private Ownership* (Washington, Nov. 10, 1919, pp. 46).

The Interstate Commerce Commission has published the *Ninth Annual Report of the Statistics of Express Companies in the United States, for 1918* (Washington, 1920, pp. 25).

The following public utility reports have been received:

Reports of the Board of Public Utility Commissioners of New Jersey, vol. VI, 1919 (Trenton, pp. 861).

[10] *The United States, ex rel. Kansas City Southern* v. *I. C. C.,* March 8, 1920. For an extended analysis of the commission's valuation hypotheses, etc., see the writer's "Railroad Valuation by the Interstate Commerce Commission," reprinted from the *Quarterly Journal of Economics,* November, 1919; February, 1920.

[11] *Five Per Cent Case,* 31 I. C. C. 350, 32 I. C. C. 325; 1915, *Western Advance Case,* 35 I. C. C. 497; *Fifteen Per Cent Case,* 45 I. C. C. 303.

Statistics of Public Utilities of New Jersey, 1918 (pp. 37).

Report of the Public Service Commission of Maryland for the year 1919 (Trenton, pp. 564).

The Street Railway Commission of Massachusetts appointed in 1919 to make an investigation and study of the street railway situation in that state has issued its report (Boston, 1919, pp. 165).

The Advisory Committee on Policies and Platform of the Republican National Committee has prepared a *Questionnaire on the Railway Problem* (19 West 44th St., New York, pp. 4).

The Guaranty Trust Company has printed the *Transportation Act of February 28, 1920* (New York, pp. 112).

The Bureau of Railway News and Statistics has issued its sixteenth compilation of *Railway Statistics of the United States,* for 1918, the compilation being prepared by Slason Thompson (Chicago, pp. 148).

Labor

REPORT OF THE SECOND INDUSTRIAL CONFERENCE CALLED BY THE PRESIDENT. Soon after the First Industrial Conference held in Washington during October was disrupted by the Labor Group leaving the Conference, plans were set on foot for the holding of another, and a Second Industrial Conference was convened by the President on December 1, 1919. A final report of this conference was issued on March 6, 1920. This report falls into four divisions: the introduction, prevention of disputes, plan for adjustment of disputes, and other problems affecting the employment relationship.

1. *Introduction.* There are several significant points made in the introduction. A joint organization of management and employees is regarded as a proper means for preventing misunderstanding and for securing coöperative effort, both of which are so essential to industrial peace. It is urged upon employers that they should realize their responsibility to know the men in their employ at least as intimately as they know the materials which go into their product. The employees, on their part, have the right and the duty to secure a knowledge of the industry, of its processes and its policies.

The basis of organization should be the plant itself. "Industrial problems vary not only with each industry but in each establishment. Therefore, the strategic place to begin battle with misunderstanding is within the industrial plant itself. Primarily the settlement must come from the bottom, not from the top" (p. 7).

The general principle which the conference recognizes is called "employee representation." "Joint organization of management and employees where undertaken with sincerity and good will has a record of success." Such employee representation, however, to be successful must be secured through an organization joined voluntarily by employer and employee. "It is not a field for legislation, because the form which employee representation should take may vary in every plant." In so far as the government enters into the settlement of disputes, its function should be limited strictly to stimulation of cooperation between employer and employee.

2. *Prevention of disputes.* As a means of preventing disputes, or at least preventing their arriving at a crisis such as a strike or a lockout, the conference advocates most strongly the principle of employee representation. After calling attention to the well known fact that there has been a loss of personal contact between employers and employees in modern industry, the report goes on to say that, in the place of the old personal contact relationship, there may be substituted today some form of democratic representation. For the contentment of employees there is need of an established channel of expression and an opportunity for responsible consultation on matters which concern them. What specific form employee representation should take is left to the individual establishment.

The application of the principle of employee representation is not restricted to any kind of shop. It has been found to operate successfully where there are union agreements in organized shops; it has been workable in non-union shops, and also in shops where union and non-union men work together. The result is, therefore, that where there are no union agreements, employee representation affords an agency of collective bargaining and coöperation. In plants where there are union agreements, a further means of coöperation within the plant is added to the union trade agreements. There is no fundamental reason why any form of employee representation should displace trade unions or any other kind of employee organization. Any machinery of this type, organized and administered in a sincere spirit on both sides, will not necessarily be confined to subjects involving conflicting interests or disputes. Much good may be secured through such a means for a better coöperation in the whole problem of production.

3. *Plan for adjustment of disputes.* Where the joint organization of management and employees within the plant or industry fails to reach a collective agreement, the conference suggests as a second step towards settlement a definite plan for the adjustment of disputes.

Under this plan the United States is divided into a specified number of industrial regions, for each one of which a regional chairman is to be appointed by the President. A National Industrial Board is also provided which is to be composed of nine members also appointed by the President and confirmed by the Senate. The members of this board are to be chosen from representatives of employers, employees, and general interests in equal numbers.

This National Industrial Board is to have supervision over the administration of the entire organization and is to act as a board of appeal for the settlement of disputes originally submitted to a Regional Industrial Conference. This National Board, however, is debarred from hearing an appeal on questions of policy, such as the "open" or "closed" shop.

The plan for the adjustment of disputes provides also for Regional Adjustment Conferences composed of four representatives selected by the parties to the dispute, and four others chosen from panels prepared in each industry. These panels are to be made up for each region by the Secretary of Commerce and the Secretary of Labor after a conference with employers and employees respectively. It is not the duty of any regional chairman to take cognizance of a dispute until he is satisfied that it cannot be settled by an agreement between the parties or by the existing machinery. Even in this case he shall call a Regional Adjustment Conference only in case both parties to the dispute agree to submit it to the conference. But such a submission by both parties implies an agreement that there shall be no disturbance of existing relationships.

In case a dispute comes before a Regional Adjustment Conference and a unanimous conclusion is reached, this conclusion constitutes a binding trade agreement. If the conference is not able to reach a unanimous conclusion, the parties may refer the dispute to an umpire chosen by themselves. If no umpire is chosen, the dispute, in case it involves questions of wages, hours, or working conditions, shall automatically go on appeal to the National Industrial Board. A decision reached either by the umpire or by the board shall also have the force of a trade agreement.

If a decision is handed down and later a complaint is made by either party that the agreement has been broken, the regional chairman within whose jurisdiction the original case arose shall, with the assistance of two representatives of the original conference, investigate the complaint and publish their findings as to facts. There is

no other compulsion than that of public opinion, which is guided by the report of an official inquiry.

If either party to a dispute refuses, or if both parties refuse to submit it to a Regional Adjustment Conference, the regional chairman shall appoint two representatives of employers from the employers' panel and two representatives of employees from the employees' panel, who, with himself as chairman, shall constitute a Board of Inquiry. They alone shall have power to subpoena witnesses. They shall investigate the dispute and publish a report, or majority and minority reports, so that the public may know the facts pertinent to the dispute and the points of difference between the parties. No information obtained by any board, conference, or umpire shall be made public except in so far as may be necessary to inform the public of the issues involved. The decisions of the Board of Inquiry shall be of such nature as may be applied to an entire industry, making due allowance for local conditions.

4. *Other problems affecting the employment relationship.* The conference stated its general position on several of the controversial problems of the day. The purpose in a review of these problems as stated by the conference is as follows: "The Conference confesses that in the prosecution of its work it has been animated by a profound conviction that this freedom that has been wrought out after many centuries of struggle should be preserved" (p. 30).

Collective bargaining. The term "collective bargaining," as used by the conference, means negotiations between an employer or an association of employers on the one side and the employees, acting as a group, on the other. Under this definition employees may act through a trade or labor union, or through some other form of employee representation. As to this whole question the conference takes position only on the question of policy.

The conference expresses itself as in favor of the policy of collective bargaining and declares that in its plan for the adjustment of disputes it provides for the selection of representatives by employees who shall, in fact, represent the majority of such employees, in order that they may be able to bind the employees in good faith. Agreements made in collective bargaining relate usually to standards only and bind both parties to an agreement to abide by these standards so long as they continue to work together under the agreement. There is no obligation on the part of the employer to keep his plant open, or on the part of the employee to continue at work. In case employees quit work, the employer shall be free, without any breach of agree-

ment, to fill the positions voluntarily vacated. The enforcement of such agreements must rest substantially upon good faith.

Hours of labor. The relation of hours of labor to health and efficiency should be made the subject of careful scientific investigation. In all cases provision should be made for one day's rest in seven, and the Saturday half-holiday, without reduction of the weekly schedule, should be encouraged. Hours-of-work schedules should be arranged on a weekly basis, and overtime should be permitted only to meet temporary emergencies. The conference notes the present trend of practice in industrial establishments toward a forty-eight-hour week, but it takes the position that a schedule substantially less than forty-eight hours a week is at this time undesirable, except in industries where the protection of the health and the safety of the workers may require it. Any further reduction in hours of work is to be deplored at the present time.

Women and children in industry. The report urges protection of the health of women and of children in industry. Where women workers, under similar conditions, perform work of equal quality and quantity as compared with men, they should receive equal pay. In regard to the work of children and educational requirements for them, the report says: "Experience is rapidly demonstrating that the economic, as well as other vital interests of the country, are best conserved by lengthening the period of education" (p. 36).

Housing. State and federal governments, coöperating in all industrial communities, should deal adequately with the problem of housing. Systematic studies of the subject should be begun and carried to completion.

Wages. "Considered from the standpoint of public interest, it is fundamental that the basic wages of all employees should be adequate to maintain the employee and his family in reasonable comfort, and with adequate opportunity for the education of his children" (p. 37). It is also urged that employers should see to it that special effort and special ability on the part of their employees shall receive a stimulating compensation. Piece rates should not be reduced merely because of increased output. All methods of wage payment deserve careful study both by employers and by employees.

Profit sharing and gain sharing experiments should be welcomed and encouraged, but profits allotted should be supplements to fair wages and not a substitute for them. Methods of gain sharing—that is, sharing in the gains of production, and in reductions of cost—contain great possibilities. There is not here, however, any panacea for

the industrial problems of the day. Whatever tends to make the workman industrious and thrifty and enables him to provide against old age, illness, premature death, and industrial accidents, the report says, should be made the subject of a careful investigation by the federal government.

The evils attending currency inflation and the high cost of living are deplored. The affiliation of policemen or of others whose duties relate to the administration of justice and the preservation of life and property should not be permitted. There is also recognition in the report of the agricultural problem in this country. The question of unemployment and part-time employment is likewise recognized but no definite solution is suggested. More adequate machinery for bringing employer and employees in contact with demand for their services is urged. C. S. DUNCAN.

REPORT OF THE BITUMINOUS COAL COMMISSION. This commission made its report to the President on March 10 (*Report of the United States Bituminous Coal Commission,* Supt. Docs., 1920, pp. 120). In accordance with an agreement made with the Attorney General, the officials of the United Mine Workers of America last December agreed to call off the strike in the bituminous coal industry and to accept Dr. Garfield's award of a 14 per cent increase in wages on condition that a commission be appointed by the President which "will consider further questions of wages and working conditions, as well as profits of operators and proper prices for coal, readjusting both wages and prices, if it shall so decide, including differentials and internal conditions within and between districts." The commission was appointed on December 19 and consisted of Henry M. Robinson, chairman, John P. White, and Rembrandt Peale. Although officially all the commissioners represented the public, it was nevertheless recognized that Mr. Peale was a coal operator on a large scale and Mr. White former president of the International Mine Workers, while Mr. Robinson as not connected with the coal industry. The commission began its hearings on January 12 and continued them until the middle of February, both the miners and the operators agreeing to accept their award as a basis for the next contract.

The miners' demands were as follows:

1. A 60 per cent increase in wages.
2. The establishment of a six-hour day, five days per week.
3. Time and a half for overtime and double time for Sundays and holidays.
4. Weekly pay-days.

5. Abolition of double shift work for commercial tonnage.
6. Abolition of the automatic penalty clause.
7. That internal differences not covered by any State Joint Agreements shall be referred back to the respective districts for adjustment.
8. Termination of contracts on November 1 instead of April 1.

The operators submitted a series of counter-demands which may be summarized as follows:

1. Abolition of the check-off system, which is the trade name for collection of union dues through the operators' offices.
2. Establishment of an equitable method of determining house rent and price for coal to be charged the miners.
3. That the Commission recommend to Congress enactment of legislation requiring the incorporation of unions.
4. That national officers of the United Mine Workers of America be parties to contracts between the miners and the operators.
5. Installation at the mines of timeclocks or other time devices.
6. Provision for the introduction of new machinery and devices.
7. That the new contract expire March 31, 1922.

The miners presented to the commission a large body of evidence prepared by experts and designed to show that the condition of the miners was not satisfactory before the war, that the increase in the cost of living had been at a much more rapid rate than the advance in wages granted the miners and that consequently their condition at present fell far below a desirable standard. They introduced an exhibit showing the minimum budget necessary to maintain a miner's family of five in health and decency. This budget was based on a study made by the Bureau of Labor Statistics in the District of Columbia, modified somewhat as a result of investigation in mining communities, and amounting to about $2200 a year. Furthermore, the miners emphasized the hazardous nature of their occupation and the fact that other industries have received much larger increases in compensation since 1913 than have the miners. On the question of hours the miners based their contention on the fact that the average number of hours worked by mines during the last two years was thirty a week, that the introduction of a thirty-hour week would, therefore, not mean a reduction in the number of hours worked by miners but would mean simply a stabilization of the industry. By reducing the weekly hours of labor the miners contend that the industry will be put on the basis of steady work throughout the year, with resulting benefits to capital, labor, and the public. The miners also quoted the experience of England in the reduction of hours from eight and nine to seven which, they claimed, has not resulted in a serious reduction of output.

While this was the miners' fundamental argument and brief, a large

part of the time in the hearings was consumed in the discussion of local difficulties presented by the local officers of the union. The miners dwelt at length on the injustice of differentials between the thick and thin vein mines in the Pittsburgh district, on the hardships of car pushing where the cars were of excessive weight, on compensation for the removal of slate and of impurities, on excessive charges for blacksmithing and powder, on the injustice of charging miners five cents a day for the use of electric torches, which reduced their earning capacity through the necessity of carrying a three-pound battery. The operators from each district introduced evidence and arguments to combat the evidence of the miners, but did not present a general brief for their original seven demands. They referred to them more or less incidentally and stressed particularly the need of holding the miners to the fulfilment of their contracts. The original evidence submitted by the operators was very largely designed to show that the miners did not make full use of their opportunities for work and that those of the miners who did work nearly all the time that the mines were in operation earned a satisfactory wage. No increase in wages was, therefore, deemed necessary, as the miners could be expected to earn sufficient incomes if they made full use of their opportunities.

The commission found that the evidence submitted by the sides was not sufficient to form the basis of a decision and it called upon numerous bureaus of the government for additional statistics.

The members of the commission were not able to agree upon an award, and two reports were submitted to the President, the majority report being signed by Messrs. Robinson and Peale and the minority report by Mr. White. The President has accepted the majority report as the award and has so informed the operators and the miners, who have since signed a contract on that basis.

Following is a summary of the findings and conclusion of the majority report with mention of the points at which the minority disagrees.

The award grants an increase of 31 per cent in wages to the tonnage workers, both pick and machine, and of 20 per cent to day men, the average increase for the entire industry being 27 per cent. The minority accepts the increase to the tonnage workers but demands an increase of 27 per cent for day men. The majority states that in arriving at the present wage award it was guided by the principle that every industry must support its workers in accordance with the American standard of living. It recognizes that the substitution of a 27 per cent increase for the 14 per cent granted by Dr. Garfield involves

an addition to the cost of producing coal of 96 million dollars, Dr. Garfield's increase having itself added 104 million dollars. In arriving at the increases the commission considered the advance in the cost of living, the increases granted in other industries and the interests of the consuming public. It determined that tonnage workers had received an average increase since 1913 of 43 per cent and that an additional 31 per cent would bring their increase in wages up to 88 per cent over those received in 1913. On the other hand, day workers had already received an increase of 76 per cent and the addition of 20 per cent would give them a total increase since 1913 of 111 per cent. The reason for this difference is that part of the advance granted to the day men in 1917 was not based on the increase in the cost of living but was due to the fact that these men were relatively underpaid. The majority of the commission believes that its award will do substantial justice to the different classes of labor in the industry and will grant them both a sufficient advance to enable them to meet the increase in cost of living and to maintain a proper standard of living. While it expects to see the cost of living decline, the commission believes that the miners have suffered from previous increases in the cost of living and that the prospective decline will be an offset against those losses.

The commission takes the position that a large part of the increase in the labor cost of coal will be absorbed by the operators through the operation of the law of supply and demand. It notes the fact that the capacity of the mines at the present time is 700 million tons while the annual requirements of the nation are about 500 million tons, so that there is an excess of capacity over requirements of about 200 million tons. The industry was speculatively overdeveloped before the war, and during the war the heavy demand for coal resulted in the opening of many new mines and the development of old mines beyond their previous capacity. The government policy during the war had been to fix prices at a point that would permit all the mines whose product was necessary to operate at a profit, with the result that the low cost mines made very large profits. The commission maintains that the industry cannot be stabilized until the high cost mines, which are now in operation, are induced by the working of economic forces to cease their operations and to leave the field to those mines that have advantages in the nature of the coal deposit or in location which will enable them to produce coal at relatively low cost.

Figures are introduced from tax returns of 1,551 representative coal producing companies which show that companies that reported net

losses for the year 1918 or earned 5 per cent or less on their invested capital represented only about 1/7 of the capital and 1/9 of the tonnage and that, therefore, the nation's requirements can be met without the output of these mines. The returns also show that the great bulk of the companies made incomes between 5 and 25 per cent, that those making over 25 per cent represented about 2/5 of the tonnage, while the companies making returns of 100 per cent or more represented an aggregate invested capital of 4 million dollars and an annual tonnage of 6 millions. The distribution of the capital and of the tonnage by income groups is shown in the report by two charts which bring out very clearly the concentration of the capital and the tonnage on the income groups between 5 and 25 per cent. The commission, therefore, feels that the public will not be forced to pay the entire increase in wages, as the elimination of the high cost mines will reduce the marginal cost of production, and competition will prevent the operators from passing the increase in cost to the consumer.

In its wage discussion the commission also points out that, even if the increased cost were a further step in the spiral—more wages, higher prices, increase in cost of living, still more wages—it would still be questionable whether it is fair to single out one group of workers as the victims of an attempt to check the operation of the vicious circle.

It is brought out in the report that the evidence submitted by the operators to show that the miners are themselves responsible for not working enough time to earn a living wage, does not substantiate the claim, as the figures make no allowance for men working in different mines during different parts of the month, or leaving the employment, or dying in the course of the pay period. In other words, they do not take account of the turnover. Other defects in the statistics are pointed out, and it is added that even though there be a certain amount of time lost by the miners voluntarily this is an inevitable result of irregular habits bred by an irregular industry and that the stabilization of the industry will go far towards eliminating this cause of complaint.

On the question of hours the majority report makes no concession, while the minority report would maintain the existing hours of labor for a year but would substitute an eight-hour day underground beginning with April, 1921. Eight hours under ground means that the time of the miner is to be counted from the time he enters the mine and not from the time he reaches his place of actual work, as is the practice now. It will be noted that the minority report's recommen-

dation is very different from the miners' original demand of a thirty-hour week. The majority report takes the position that the miners' contention for a thirty-hour week is based on an economic fallacy. It would not, in the opinion of the two commissioners, result in stabilizing the industry. Quite the contrary, it would result in a larger demand for men during the rush period and consequently in a larger labor reserve, so that the working time of the mines would have to be divided among more men than is the case at the present time under the eight-hour day. The argument of the majority is that, in view of the need of utilizing man labor to the maximum during the period of reconstruction, it would not be wise to reduce the hours of labor in a basic industry. The evidence from foreign countries does show a reduction in output following a reduction in hours.

The cure for the intermittency of employment in the coal industry is twofold: first, the elimination from the industry of the uneconomic mines whose product is not necessary for the national requirements and, secondly, a more even distribution of the demand for coal throughout the year. The majority report contains a careful discussion of intermittency and reaches the conclusion that it can be very largely eliminated (granted the closing up of the uneconomic mines) by inducing railroads, government officials, public utilities, and other large consumers to purchase a part of the winter supply of coal during the spring months when the demand is at its lowest ebb. The commission has taken the subject up with the railroad companies, and promises of coöperation from the Pennsylvania Railroad and the New York Central lines have been secured. It also obtained the assurance of public utilities that this plan was practicable and desirable. A statement from the chief of the Bureau of Mines explaining that the storage of bituminous coal can be made safe by the adoption of certain precautionary measures is printed in the report. A recommendation is made to the Interstate Commerce Commission to consider the desirability of a graduated seasonal freight rate, but the suggestion of a lower price for bituminous coal in summer is not accepted on the ground that the seven thousand operators cannot lawfully agree on a price. The report also discusses the abuses that have grown up in connection with the use of assigned cars by the railroads and the practice of railroad purchasing agents of guaranteeing cars to certain mines in exchange for lower prices. This sort of favoritism is strongly condemned by the commission, and it is recommended that the Interstate Commerce Commission take measures to prevent its continuation.

The majority of the commission takes the position that it cannot with propriety make any changes in differentials and other matters involving competitive conditions, because it hasn't had sufficient time to study the subject with the necessary care. Existing differentials represent the result of thirty years of joint conferences and are in general an attempt to equalize the earning capacity of miners in different districts, on the one hand, and the cost of production and marketing to the operators, on the other. While the commission does not say that there are no injustices in existing conditions, it feels that matters of this sort should be passed upon after very careful consideration by experts, and it recommends the establishment of a joint commission of miners and operators, to be maintained at the expense of the two parties at interest, the commission to go thoroughly into the whole subject and to make a report in time for the next joint conference. The recommendation of the minority on this point does not materially differ from that of the majority.

The majority report takes the position that the Washington Agreement, which was the contract in force at the time of the commission's hearings, be continued by the forthcoming contract, except where modified by the award. Matters of which no mention is made in the report are, therefore, to remain as they are. This means that no action is taken on the question of overtime, of weekly pay days, of the double shift, or of the automatic penalty clause. The date of the contract to be made by the miners is fixed as of April 1 to continue for two years, the minority joining in this recommendation. There are a number of less important points covered in the report in connection with local conditions and with grievances, but these are not of sufficient general interest to be discussed in this REVIEW.

The fact that the miners have accepted the award indicates that, in spite of the dissent of their representative on the commission, they feel that they have been granted substantial justice.

E. A. GOLDENWEISER.

THE KANSAS COURT OF INDUSTRIAL RELATIONS. Coming at the time of great tension in industrial relations and great apprehension on the part of many persons with respect to the outcome, the law of January, 1920, creating the Kansas Court of Industrial Relations has attracted nation-wide interest. The court is composed of three "judges" appointed by the governor with the approval of the senate. The term of office is for three years; no qualifications are prescribed. The Public Utilities Commission of Kansas is abolished and its jurisdiction is conferred upon the court in addition to its new powers and duties.

The following businesses are declared to be affected with a public interest and hence subject to supervision by the state: (1) the manufacture or preparation of food products, (2) the manufacture of clothing, (3) the mining or production of fuel, (4) the transportation of food products or articles or substances entering into wearing apparel or fuel, and (5) public utilities and common carriers as defined in the general statutes of Kansas.

It is declared necessary for the public welfare that these industries shall be operated with "reasonable continuity and efficiency," and broad powers are given the court to insure these results. It may investigate any controversy between "employers and workers, or between groups or crafts of workers" in any industry subject to the act if it appears that the controversy may endanger the public welfare. The court may act upon its own initiative or upon complaint of (1) either party to the controversy, (2) "any ten citizen taxpayers" of the community in which the industry is located or (3) the attorney-general of the state. The court may compel[1] the attendance of witnesses and parties to controversies and the production of books and papers. In taking testimony it must observe the "rules of evidence as recognized by the supreme court of the state of Kansas in original proceedings therein." When the court initiates an investigation it may issue a temporary order governing the operation of the industry pending the investigation. After the conclusion of the latter the court must issue its findings and order as quickly as possible prescribing such changes as it deems necessary in "working and living conditions, hours of labor, rules of labor, rules and practices" and wages.

The law apparently gives the court much latitude in determining standards of reasonableness for its orders. It empowers the court to investigate conditions surrounding the workers, to consider the wages paid to labor and the return accruing to capital, the rights and welfare of the public, and all other matters affecting the conduct of said industries. Workers engaged in any of the included industries "shall receive at all times a fair wage and have healthful and moral surroundings while engaged in such labor; and . . . capital invested therein shall receive at all times a fair rate of return to the owners thereof." The law provides that in orders issued by the court governing "working and living conditions, hours of labor, rules and practices,

[1] By "proper proceedings in any court of competent jurisdiction." The Court of Industrial Relations resembles a regulative commission more closely than it does any court known to American government.

and a reasonable minimum wage, or standard of wages" all the "terms, conditions and wages shall be just and reasonable and such as to enable such industries . . . to continue with reasonable efficiency" to serve the public.[2]

Either party to a controversy in which the court has issued an order may apply to the court for a modification of the order, if, after complying with it in good faith for at least sixty days, he finds it to be "unjust, unreasonable or impracticable" and the court must then grant a rehearing. Either party may also appeal directly to the state supreme court to compel the Court of Industrial Relations to make a "just, reasonable and lawful order" and his appeal will be given precedence over all other civil cases before the supreme court.

The law attempts to encourage the incorporation of trade unions. It provides that unions or associations of workers engaged in the operation of industries subject to the act, which incorporate under the laws of the state,[3] shall be recognized by the court as legal entities with the right to appear before the court through representatives. The right of such corporations to bargain collectively for their members is recognized; also the right of unincorporated unions provided that each member shall appoint in writing some officer or other person as his agent or trustee with authority to enter into collective bargains and represent him "in all matters relating thereto."[4]

The court is authorized to modify any contract of employment hereafter made in any industry subject to the act, if the court finds, "during the continuance of any such employment," in an action properly before it, that the contract is "unfair, unjust or unreasonable." This power is specifically made applicable to collective bargains.

If parties to controversies fail or refuse to obey its orders the court may bring proceedings in the state supreme court to compel compliance.

The law forbids the willful hindering, delaying, limiting, or suspension of the operation of any industry subject to it "for the purpose of evading the purpose and intent" of its provisions. No "person, firm, corporation, or association of persons" is thus to interfere with the operation of the industry or to conspire with others, or induce or intimidate others, to do so. The right of an individual employee to quit his employment at any time is not restricted, but no employee in

[2] Quotations from sections 7, 8, and 9 of the act.

[3] No change in the corporation laws to make them specifically applicable to trade unions was thought necessary.

[4] Such written appointments are to be permanent records of the union.

the industry may "conspire with other persons to quit their employment" or induce them to do so "for the purpose of hindering, delaying, interfering with, or suspending the operation" of the industry. No person may resort to picketing or intimidation to induce others to leave or refuse employment in the industry. The law provides substantial penalties of fine or imprisonment, or both, for persons convicted in any court of competent jurisdiction[5] of violating its provisions.

No employer may discriminate in any way against any employee for participating as a witness or complainant in cases before the court and no two or more persons may conspire to injure another by boycott, discrimination, picketing, advertising, propaganda, or other means because of any action which he may have taken under an order of the court, because of any proceeding instituted in the court or because he may have invoked the jurisdiction of the court.

In case of a "suspension, limitation or cessation" of operation in an industry contrary to the provisions of the act or to the orders of the court, which appears to the court seriously to affect the public welfare, the court is directed to apply to any court of competent jurisdiction for authority to take over and operate the industry during the emergency.[6] In such a case fair compensation must be paid to the owners of the industry and the workers in it during the period of operation by the court.

The law recognizes that it may be unreasonable to require continuous operation at all times in all industries subject to its control. It therefore provides that the court may grant authority to limit or cease operations or prescribe regulations for the operation of industries "in which operation may be ordinarily affected by changes in season, market conditions, or other reasons or causes inherent in the nature of the business."

Although the law applies primarily only to "essential industries" the court may take jurisdiction, upon invitation of the parties concerned, in controversies arising in industries not specified in the law. In such cases the agreement to refer the matters at issue to the court must be in writing and signed by the parties, and the findings and orders of the court are to have the same effect as though made in any essential industry.

[5] The Court of Industrial Relations has no power to impose penalties. See note 1.

[6] The operation by the state during the coal strike of certain Kansas coal mines under a receivership authorized by the state supreme court furnished a precedent for this provision.

The Court of Industrial Relations is a joint product of the coal strike and the general alarm over labor radicalism.[7] The bill establishing the court was prepared during December, 1919, at the request of Governor Allen and introduced for him into both houses of the legislature in the special session which convened January 5, 1920. The bill was drafted by Mr. William L. Huggins, then a member of the Public Utilities Commission and now presiding judge of the Court of Industrial Relations, in consultation with Governor Allen, leaders of the legislature, members of the Kansas bar and others. The measure at once received favorable consideration by both the public and the legislature and, with some amendments of relatively minor importance, passed the latter by an overwhelming, non-partisan majority and became law with the approval of the governor on January 24, 1920.

While Governor Allen's bill was before the legislature it was opposed by representatives of the Joint State Legislative Committee of the Kansas State Federation of Labor, the United Mine Workers of America, and the "Big Four" railway brotherhoods. Mr. Frank P. Walsh, well known as chairman of the United States Commission on Industrial Relations, made the principal address before the legislature in behalf of organized labor. It was argued, in substance, that it was unjust and unconstitutional to deprive labor of its right to strike, that the measure would strangle organized labor in Kansas, that it would be impossible to find judges wise enough to serve on such a court, and that the penalties provided in the bill were excessive.

A representative of the mine operators also opposed the bill before the legislature, contending that it was unconstitutional in that it authorized the confiscation of property. Representatives of certain other employing interests opposed various features of the bill in the committee hearings, but in general there was little opposition to the measure from employers.

It is apparent that the measure was hastily prepared and hastily adopted. This fact has given occasion for the criticism that Kansas has again acted with characteristic, precipitate rashness. The supporters of the measure answer, in substance, that there was need for quick action, that the issue was sharply defined, that lengthy and detailed investigation would add little to the knowledge already available

[7] Kansas has been the scene of considerable I. W. W. activity, especially in the harvest fields, and there is a widespread belief that the leaders of the Kansas coal miners are "dangerous radicals" although the facts seem to indicate that they are usually advocates of orderly political action and exponents of a relatively conservative, if vigorous, business unionism.

on the subject, that the measure was drafted by an able lawyer and public utility commissioner who had long been a student of labor problems, and that it should be frankly recognized as an experiment. As one newspaper puts it: "When Kansas faced its first serious industrial problem, it took off its coat, rolled up its sleeves in regular Kansas fashion, and went to work to meet the situation."[8] And the effectiveness with which Kansas has met the situation depends upon the merits of the measure and not upon the haste with which it was prepared and adopted. Similar comment may be made concerning the charge that the chief function of the law is to serve as political propaganda. The law should stand or fall upon its own merits.

Many questions will arise concerning the wisdom and success of the Kansas plan. Is it constitutional? Is it fundamentally sound? Is it capable of application in other states or by the federal government? Could it be extended to other industries or to industries in general? The limits of space and of experience with the plan forbid an attempt to answer these questions at this time.

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The Decisions of Railway Boards of Adjustment Nos. 2 and 3 of the United States Railway Administration covering the period of January to June, 1919 (pp. 460) and July, August, September, 1919 (pp. 368) have been compiled.

Two federal reports dealing with labor questions are: *Annual Report of the Director General of the United States Employment Service for the Fiscal Year ending June 30, 1919* (Washington, pp. 174); *First Annual Report of the Director of Women in Industry Service,* 1919 (pp. 29).

Bulletin No. 8 of the Women's Bureau, United States Department of Labor is *Women in Government Service,* by Bertha M. Neinburg (Washington, 1919, pp. 37).

Resolutions Adopted by the First International Congress for Working Women, held at Washington, October 28 to November 6, 1919, have been compiled by the National Women's Trade Union League of America (64 West Randolph St., Chicago).

Miss Laura A. Thompson, librarian of the federal Department of Labor Library has prepared a cyclostyled bibliography of books and pamphlets on *Hours of Work in Relation to Output* (Washington, pp. 13).

[8] The Kansas City *Star.*

The Bureau of Mines has issued a pamphlet on *Metal-Mine Accidents in the United States during 1918* with supplementary labor and accident tables for the years 1911-1918, compiled by Albert H. Fay (Washington, 1920, pp. 113); and *Accidents in the Metallurgical Works in the United States during 1918* (pp. 23).

The bulletin of the Industrial Commission of Ohio for December 17, 1919, summarizes the *Union Scale of Hours and Wages in Ohio in May 15, 1919* (pp. 35).

Labor Bulletin No. 129 of the Bureau of Statistics of Massachusetts treats of *Labor Legislation in Massachusetts, 1915 to 1919,* with index of bills (Boston, Nov. 1, 1919, pp. 221).

Bulletin No. 20 of the Consumers' League of Massachusetts discusses the industrial employment of children and gives illustrations of evasions of the law (Boston, 4 Joy St.).

Bulletin No. 38 of the National Industrial Council (formerly National Council for Industrial Defence) deals with *Minimum Wage Legislation; Its Nature, Extent, and Validity* (30 Church St., New York).

The National Consumers' League has published a bulletin on *Minimum Wage Commissions* in which brief statements are made in regard to the standards set by commissions in different states (44 West 23d St., New York, Jan., 1920, pp. 15).

Money, Prices, Credit, and Banking

REPORT OF THE BRITISH "AMERICAN DOLLARS SECURITIES COMMITTEE." This report reveals the efforts made by the British Treasury during the war to maintain the rate of exchange of the pound sterling (London, H. M. Stationery Office, pp. 63, 9s.) At the outbreak of the European war, the exchange value of the pound in New York after a rise to $7 soon fell below the gold point and at the end of October, 1915, fell as low as $4.51. In order to check this downward movement, the Committee on American Dollars Securities was organized in July, 1915. No definite action was taken, however, to corral dollar securities held in Great Britain until 1915 when a call was issued to insurance and trust companies asking for a surrender through sale or loan of certain American securities. When offered for sale, the price of such securities would be based on the current New York Stock Exchange quotation with the sterling price calculated at the prevailing rate of exchange. The seller had an option to be paid

either in cash or in 5 per cent Exchequer bonds maturing in 1920 and available for subscription to any future war loan. To security holders who were willing to deposit their securities on loan, a premium of ½ of 1 per cent per annum was added to the nominal rate of interest accruing on such securities. The period of the first loans covered two years. This, however, was subsequently extended and loans were made indefinitely by the British Treasury.

The committee published from time to time a list of securities acceptable for purchase or deposit. In January, 1916, the list contained but 54 securities. It was gradually added to until it numbered more than 1,000 securities, including stocks and bonds. Sterling denominations of Canadian and South American issues were also eligible for purchase or loan to the British Treasury these issues having been used chiefly as collateral for the British government loans in the United States.

Notwithstanding appeals to patriotism, English holders of American securities were reluctant to surrender their holdings. This reluctance applied particularly to holdings of high yielding American stocks. Many of these issues had been held for years by the so-called British Investment Trusts which had issued their own securities against their American investors. These institutions accordingly hesitated to endanger their own corporate existence and the income of their shareholders by disposing completely of their commitments. Accordingly it was not long before it became apparent to the British Treasury that coercion would be required in order to ferret out the mass of American securities hidden away in the vaults of British institutions and by wealthy individuals. This coercion took the form of a special tax of 2 shillings in the pound on the income derived from all issues which had been prescribed by the committee as eligible for purchase or loan. The tax had the desired effect. The proposal of the special tax was passed by the House of Commons on May 29, 1916, and the immediate result was evidenced by a large increase in both purchases and deposits made with the committee. A further aid toward the acquisitions of the committee was the federal Income Tax act of 1916 which levied a rate of 1 per cent on securities issued in the United States and held by non-resident aliens. This tax was increased to 2 per cent from January 1, 1917. By the end of 1916 purchases amounted to £118,269,000 and deposits to £347,524,000, or a total of £465,793,000. The excess of deposits over purchases is a clear evidence of the reluctance of British holders to part completely with their American securities. This is particularly interesting in view of the fact that during

the period in which the offer to purchase securities on the basis of New York prices was made, the market value of these securities, as a rule, had greatly improved and offered in many cases an opportunity to the British holder of a profit on his commitment.

In January, 1917, it had become evident that the imposition of the special tax was not sufficient; and, as the demand for these issues in order to maintain the value of the pound sterling became increasingly urgent, the British Treasury was given power under the Defense of the Realm Regulations to acquire forcibly certain issues and to place restrictions upon holders or otherwise disposing of same. The general effect of this restriction was to make the specified securities the property of the British Treasury.

The final discontinuance of the acquisition of securities by the committee occurred on April 28, 1919. By this time more than $1,400,000,000 of American and Canadian Dollar securities had been acquired. These comprised more than 1800 different issues of bonds and shares. In addition the committee acquired a number of securities in sterling, franc, krone, and other foreign denominations.

The interesting feature of the report from the point of view of American investment is the apparently heavy holdings of American securities of all kinds in Great Britain. This is particularly remarkable because of the heavy voluntary liquidation of American holdings that took place between the outbreak of the war in August, 1914, and the organization of the American Dollars Securities Committee in December, 1915. The accompanying table shows the issues that appear to have been held in very large amounts in Great Britain. Aside from the Canadian Pacific Railroad stocks and notes, more than one half the total outstanding of which had been acquired by the British Treasury, the heaviest holdings were in the high grade American railroad issues including both bonds and stocks. It is particularly interesting to note that the committee acquired almost 12 per cent of the outstanding Pennsylvania Railroad shares and slightly more than 12 per cent of the Union Pacific shares. It also acquired 13.93 per cent of Union Pacific Railroad stock. These issues have been particularly favored among British investors and speculators.

The amount of United States Steel Corporation's shares acquired by the committee, namely $11,134,800 of common and $15,670,900 of preferred, are somewhat less than might be expected from the speculative character of these issues. A curious feature of the report is the fact that only $9,000 of the stock of the New York, New Haven &

Hartford Railroad is listed among the acquisitions of the American Dollars Securities Committee.

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SECURITIES OBTAINED BY THE AMERICAN DOLLARS SECURITIES COMMITTEE.
(000 omitted)

Securities	Total issue	Amount loaned	Amount purchased	Total	Per cent of total issue
Stocks					
Atchison, Topeka & Santa Fe com.....	$222,723	$10,675	$6,281	$16,956	7.61
" " " " pfd.....	124,174	13,205	1,976	15,180	12.22
Canadian Pacific com.....	260,000	5,856	126,750	132,606	51.00
Illinois Central com.....	240,278	15,780	17,397	33,177	13.81
Great Northern pfd.....	109,296	7,102	4,376	11,499	10.52
New York Central.....	249,849	12,373	5,896	18,269	7.31
Northern Pacific	248,000	15,866	18,684	34,550	13.93
Pennsylvania R. R.....	499,296	37,981	20,220	58,202	11.66
Southern Pacific	301,473	8,482	7,355	15,837	5.25
Union Pacific	222,292	14,633	12,952	27,585	12.41
United States Steel com.....	508,303	8,765	2,369	11,135	2.19
" " pfd.....	360,281	9,464	6,207	15,671	4.35
Bonds					
Atchison, Topeka & Santa Fe gen. 4's..	150,635	12,297	1,817	14,396	9.54
" " " " adj. 4's..	51,346	11,812	705	12,517	24.38
Baltimore & Ohio gold 3 ½'s.....	74,910	17,501	973	18,474	24.66
Canadian Pacific 6 p. c. notes.....	52,000	22,614	5,320	27,934	53.72
Chesapeake & Ohio conv. 4 ½'s.....	40,180	6,142	3,451	9,593	23.87
Denver & Rio Grande 1st cons. 4's.....	34,125	8,053	1,893	9,946	29.14
Illinois Central 4 p.c. gold bonds.....	39,979	19,307	2,395	21,236	53.12
Kansas City Terminal 1st 4's.....	33,092	19,030	1,999	21,029	63.55
Minn., St. P. & Sault St. Marie gold 4's	60,340	25,190	1,115	26,305	43.59
New York Central 30-yr. 4's, 1934.....	48,000	11,939	619	12,558	26.16
Northern Pacific gold 4's.....	110,815	11,020	1,451	12,470	11.25
U. S. Steel sinking fund 5's.....	178,353	23,009	159	23,168	12.99

Data with regard to the coal question may be found in the hearings before the Senate Interstate Commerce Committee on *Increased Price of Coal* (Washington, pp. 714).

The hearings before the House Committee on Banking and Currency relative to an *Amendment to the Federal Farm Loan Act,* held November 13, 1919, have been printed (Washington, pp. 59).

The Federal Reserve Board has prepared a new edition of the *Federal Reserve Act as Amended to March 3, 1919* (Washington, pp. 85).

The Educational Department, Savings Division, First Federal Re-

serve District has prepared a *Thrift Bibliography* (25 Arch St., Boston).

The Farm Mortgage Bankers Association of America (112 West Adams St., Chicago) has for circulation a number of pamphlets: *Financing Farms,* by F. M. Corwin; *Objections to Tax Exemption of Federal Land Bank Bonds,* by E. D. Chassell; *Federal Fallacies of the Federal Farm Loan Act,* by L. T. MacFadden; *Loans to Speculators; The Case for and against Exemption of Federal Farm Loan Bonds.*

There has been received from Mr. George H. Paine, Philadelphia, *Report by Committee on Trade Acceptances,* submitted to the Twenty-fifth Annual Convention of the Commercial Law League of America at Cincinnati, August 18, 1919 (pp. 16); also the speech by Claude T. Ritter before this convention, *Condemning Trade Acceptances* (pp. 8).

Public Finance

Scientific Tariff Revision. The tariff schedules of all the leading countries are constantly becoming more complex and are being divided and subdivided into a great number of items. The growing complexity of modern industry is the chief reason for this. Many articles are now designated by name in the tariff laws which are unfamiliar even to those persons who have a wide knowledge of industrial and mercantile affairs; and with respect to those articles which are well known, the conditions of manufacture, trade, and competition are continually becoming more involved and more affected by imperfectly understood influences.

There are literally thousands of items to be considered in a thoroughgoing revision of the tariff,[1] and the actual effect of the duty on many of the products can be ascertained only by careful study. This is a field where the economist can prove his usefulness. Never in our history has it been more apparent that our national legislators need the assistance of the most expert and highly trained men to relieve them

[1] There are 657 paragraphs in the United States Tariff act of 1913, and several commodities are often included under one paragraph, as, for example, paragraph 368, "Manufactures of bone, chip, grass, horn, india-rubber or gutta percha, palm leaf, quills, straw, weeds, or whalebone, or of which any of them is the component material of chief value, not otherwise specially provided for in this section, shall be subject to the following rates." The paragraph then names various rates of duty for the different articles.

of details and to free their minds for the consideration of the more important matters of general policy.

The possibility of "scientific tariff revision" has, to many persons, seemed remote, because of the fundamental difference between schools of thought. To one group a procedure in revision which assumed the necessity of any duties at all has been obnoxious, while to another group the assumption of any benefits from greater freedom of trade has been equally odious. Between these extremes there have been "upward revisionists" and "downward revisionists" of varying shades of opinion.

It is undeniably true that there will always be opposing groups, differing in their ideas as to the preferable system of customs duties; and the country will adopt the system upheld by the group which elects a majority to Congress. So far is it true that the commercial policy of the country cannot be determined abstractly or "scientifically" but is based on what a majority of the citizens think to be their interest. When the majority has once declared for a particular policy, however, the man of science can step in and use thorough research to determine the best methods of accomplishing the desired result. There is a great opportunity for scientific work of this sort.

The work of the United States Tariff Commission has had, in the three years since the creation of that body,[2] a wider scope than that of any previous board created in this country for inquiry into tariff questions. It is a permanent, non-partisan body of six members created to investigate matters relating to our customs laws and our national commercial policy. As the former chairman, Dr. F. W. Taussig, said: "The Tariff Commission has no administrative or judicial functions, like those of the Interstate Commerce Commission or the Federal Trade Commission. It is a body purely for gathering information and suggesting recommendations."[3]

It has published a large number of reports, some of the most important of which are: *Reciprocity and Commercial Treaties, Dumping and Unfair Foreign Competition, Revision of the Customs Administrative Laws, Free Ports and Free Zones, Interim Legislation, The Trade of Japan During the War, Costs of Production in the Sugar Industry,* and *Costs of Production in the Dye Industry,* and *Cotton*

[2] The United States Tariff Commission was created by an act of Congress, approved September 8, 1916, entitled "An Act to increase the revenue, and for other purposes."

[3] Address before the Home Market Club, Boston, Massachusetts, May 18, 1917.

Yarn. The commission made a census of the production of dyes and coal-tar chemicals in 1918 and also in 1919. It has also published handbooks upon the chemical and dye, optical and chemical glass, potato product, potash, silk, cotton, pyrites and sulphur, button, brush, and surgical instrument industries. Several reports of the commission have been published for the use of Congress by the Ways and Means Committee, and another important work in hand is the preparation of a *Summary of Tariff Information,* which will serve as a general handbook in any comprehensive revision which may be undertaken.[4]

No attempt will be made in this article, however, to review the entire work of the commission. It has given Congress the benefit of scientific research upon a variety of subjects. But the part of its work which is here treated is the preparation of information upon the commodities named in the tariff act. The information obtained has been brought together in what has been called the *Tariff Information Catalog,* although the word "catalog" does not well describe that to which it is applied in this case. It is much more than the name would suggest: not merely a glossary of terms or a collection of statistical tables, but a collection of separate and complete, but related, reports on the various items comprised in the schedules of the present tariff law. This series of reports or monographs will be a compendium of information on industrial questions in their relation to the tariff.

The following concrete illustrations of the kind of information which may be gleaned in a brief space of time from the "catalog" may indicate its usefulness. Let us turn to the unit of the catalog which is devoted to "upper" leather. This, as the name indicates, is the leather used for making uppers of shoes, and the industry is one of the most important in the country, for we now manufacture more shoes than any other nation in the world. There are many varieties of upper leather; the main divisions of the product are "calf and kip" (kips are small cattle hides), "goat and kid," "sheep and lamb," and "all other" (including cowhide, horse hide, buckskin, kangaroo, etc). The leadership of the United States is more pronounced in the manufacture

[4] This *Summary of Tariff Information* will give "in parallel columns the tariff acts of October 3, 1913, and of August 5, 1909. Then will follow 'general information,' under which is to be given, as concisely as clearness will permit, a description of each of the several thousand commodities affected, the uses and the circumstances of production, as well as significant changes of imports and the latest available information as to exports, with special reference to the related experience immediately preceding the war. Finally, under the caption, 'Interpretation and Comments' will appear pertinent decisions of the Treasury Department, of the Board of General Appraisers, and of the courts." *Third Annual Report of the United Tariff Commission,* 1919, p. 18.

of goat and kid than in any of the other kinds, and the specialty in which the United States is preëminent is black glazed kid. We learn that the foreign countries which produce and export the most upper leather, in normal times, are England, France, and Germany. The latter country was making rapid strides just before the war and the German competition was feared more than any other by American manufacturers. The greater part of our exports consists of glazed kid. A 15 per cent ad valorem duty has recently been levied on the exportation of goat-skins from British India, which is our principal source of supply for the skins used in making glazed kid. This is causing some agitation among domestic manufacturers, as Great Britain and her colonies have a 10 per cent preference.

A tariff problem is developed in the part of the catalog which deals with cotton gloves. The variety known as "chamoisette," or suede cotton gloves, was made almost exclusively in Chemnitz, Germany, before the war. They are made of "Atlas" cloth, which is a knit fabric manufactured by a process which renders it very firm and strong and prevents it from raveling, and is so finished as to resemble closely the genuine chamois skin. The gloves are washable and much cheaper than leather gloves, for which they are an excellent substitute. After the imports from Germany were cut off, domestic manufacture began on a large scale. The principal tariff question now relates to Japan which has begun to export fabric gloves to this country.[5]

Turning to the unit on manganese ore, one finds that it is the raw material for ferromanganese and spiegeleisen, products essential to the manufacture of steel; that minor amounts of the ore are required by mechanical and other industries, but 96 per cent of the consumption is for making steel. Prior to the war the United States produced less than one per cent of its manganese requirements, while the remainder was imported mainly from India, Russia, and Brazil in the form of ore, and from Great Britain in the form of ferromanganese. Under war conditions, India and Russia were practically eliminated as sources of supply, while the industry expanded in Brazil, in Cuba, and in the United States. It would not be feasible for us to depend on the domestic output in ordinary times on account of the insufficiency of supply, its low grade, and variability of character.

From the report on *Tin Plate and Terne Plate* one learns that tin plate consists of steel plate covered with tin, and is used in the manufacture of tin cans and other tin articles, while terne plate consists of iron or steel, chiefly steel, coated with a mixture of lead and tin, and is

[5] *Second Annual Report of the U. S. Tariff Commission,* pp. 59-74.

used mainly for roofing and for lining packing cases. The supply of tin in Cornwall has been much reduced and the world's supply of cassiterite, the ore from which tin is obtained, comes principally from the Straits Settlements. One learns what the principal uses of tin are; what the situation in the industry has been since the war began; what the current prices are; and what the foreign and domestic production and the imports and exports have been over a period of years.

Even an apparently insignificant industry like basket manufacturing may furnish an opportunity for interesting and valuable study, and may show that hasty generalization is dangerous, even in regard to minor commodities. This industry is sharply divided into two sections, the manufacture of baskets of willow and rattan, which is a small-scale industry—practically a handicraft—and the manufacture of splint baskets (*i.e.*, baskets made of strips of wood), which is a machine industry carried on in small mills, very largely in localities where there is a good supply of hardwood lumber. From the catalog unit we learn that there is no foreign competition in regard to splint baskets, while there has been with respect to the willow and rattan baskets.[6]

Reference to a unit of the catalog shows that all of the leading industrial countries have well developed cordage industries and that these countries are, for the most part, self-sufficient so far as cordage is concerned, although they import some cordage of special varieties, while they export considerable to the less developed industrial countries. In another unit are given the salient facts about the leather glove industry of the country: how it has always been highly localized, having its center in Fulton county, New York, but has recently been growing at a rapid pace in the Middle West. The principal characteristics of the industry in the two sections are set forth. Gloversville has become a great center for making dress gloves, while the heavy work gloves and also many automobile gauntlets are now made in the Middle West. All of these facts might be drawn out by a personal investigation or by committee hearings; but an untold amount of time and energy is saved for Congress by having such basic facts for tariff

[6] The willow basket making in the vicinity of Liverpool, New York, furnishes an interesting example of localization of industry. This town has been, with the exception of New York City, the center of the "staple" basket industry of the country for many years. The reasons were, apparently, "the momentum of an early start"—German immigrants were the originators of the business —and the fact that the industry furnished occupation, in the dull season, for workers in the salt industry in that locality.

legislation compiled, verified, and set down in cogent form before any hearings are held.

With the greater complexity of the tariff schedules, which has been mentioned above, the bearing of technical facts on tariff rates and on classification becomes more important. How many persons could name, off-hand, the nature and uses of the following articles, on which units of the catalog have been, or are being, prepared by the commission: Tonka beans, tagger's tin, jalap, gambier, quebracho wood, basic slag, barytes, tragacanth gum, silk noils, cotton flocks, magnesite brick, calamine, cotton venetian, kaolin? These are but a few examples of the long list of commodities which are not well known, even to many persons having a wide knowledge of industrial conditions, but which must be dealt with in any tariff revision.

The following are examples of technical facts which have been discussed in connection with tariff revision. In the course of tariff hearings, the question has arisen as to the proportion of the value of the shoe which is represented by the value of the leather which goes into it. This was discussed at considerable length at one session of the Ways and Means Committee. Another question is that of the increase in cost of gloves which is due to fancy sewing on the back of the gloves. In one tariff act the duty on gloves which were decorated with such fancy sewing was increased 25 cents per dozen pairs, since this was asserted to be the added cost. Vigorous protests were made, however, on the ground that the cost was not increased in any such amount.[7] The difference between woven body and braided straw hats has also been discussed and the nature of chrome tannage and its important influence on the American leather industry. These are good examples of facts which should be established by the investigation of experts and not left to consume the time of members of Congress and witnesses at the hearings.

According to the report of the Tariff Board on Schedule K, made in 1911, the difference between "class one" wool and "class two" wool had become of little significance.[8] This fact had been true for some time but had not been brought prominently and forcefully to the attention of Congress. Classifications of this sort which outlive their usefulness should certainly be exposed and the record of the true state of affairs should be placed before Congress in such a way as to hasten action.

If the "difference in the cost of production at home and abroad" is

[7] *Hearings of Ways and Means Committee, 1908-1909,* vol. VII, p. 7,135.

[8] *Report of the Tariff Board on Schedule K,* vol. I, pt. 2, p. 382.

to guide Congress in the determination of the rates of duty, then a great task will be laid upon the government's investigators to ascertain as nearly as possible the true amount of the difference, and technical experts as well as cost accountants must be called in, to help solve the problems which arise.

If Congress should decide, as did the English Committee on Trade after the War,[9] that the various industries should be classified according to their essential character, with regard to the national defense, and that those which are absolutely necessary should be encouraged, then it would be a question of fact as to what industries were necessary. For example, in the chemical or metallurgical branches, the judgment of an expert would be necessary in making the decision.

In the investigations of the Tariff Commission, upon the basis of which the *Tariff Information Catalog* has been compiled, experts have been employed as far as possible with the limited means at the disposal of the commission. Chemists, metallurgists, experts on textiles, on glass and pottery, on agricultural products, as well as lawyers, cost accountants, and economists, have been employed. In addition to the regular staff, persons who are expert in certain lines of business have been employed on temporary appointments to make special studies of the subject with which they are familiar.

The commission cannot have an expert on every kind of industry. It can, however, have technically trained men in the principal fields. The Tariff act of 1913 is divided into fourteen schedules and a "free list." The work of compiling full information on all the products is vast, as any one will understand who has made even a cursory examination of the schedules of our tariff act. It is, however, obvious that it is not necessary to make a detailed study of every separate product. A thorough study of a certain item may make similar intensive work on several closely allied products unnecessary.

These investigations have been conducted by interviews with the persons interested—manufacturers, importers, wholesale and retail dealers, and consumers; by correspondence with these persons, and by public hearings at which some of the members of the commission and its staff of experts met with the representatives of the various interests involved; by careful study of all the available material on the subject under consideration, which in many cases means an examination of a vast amount of material from both original and secondary sources.[10]

[9] *The War and British Economic Policy*, 1915.

[10] There is a great amount of information in various United States government documents, in reports published by the Bureau of Labor Statistics, by

The *Tariff Information Catalog* is, of course, meant to supplement and not supplant other methods of collecting information. The holding of committee hearings has been the principal method followed in securing information upon which to base the tariff laws passed by Congress. The defects of this method are well known. A vast amount of repetition is involved and the facts which are brought out by the cross questioning are perhaps as often the unessential as the essential ones. Then too, the testimony is necessarily of an *ex parte* nature. Different views are expressed but sufficient time cannot be taken to examine conflicting claims to see which one is more accurate.

Another disadvantage of this method is that the members of Congress are subjected to annoyance from the importunities of persons who are seeking favors. Those who were on the ground in person have exerted what was perhaps an undue influence on the legislation, a fact which was doubtless inevitable on account of the system. Some amusing instances of this kind have occurred. Professor Marquand of Princeton related an instance in a letter to the Ways and Means Committee, written in 1908. He says:

> When the tariff was under revision some years ago I asked a member of the tariff committee if the tax on works of art had been removed. He said that, on the contrary, it had been raised. When I asked for an explanation he replied: "None of you who wished it removed were present at the hearing, but a gentleman from the South who was present asked whether American

the Bureau of Foreign and Domestic Commerce, by the Department of Agriculture, by the Federal Trade Commission and other boards, in the voluminous reports on former Tariff Hearings, and in the Census Reports and Commerce and Navigation Reports, which the individual congressman could not spend the time to examine. In the preparation of the various units of the *Tariff Information Catalog,* material of this kind is carefully scrutinized so that all the matter which is germane to the question may be selected, condensed and put in the most pointed manner so that the time required for its examination is reduced to a minimum.

There are many inconsistencies and discrepancies in the statistics which need to be explained. The performance of this work is part of the duty of the staff which is compiling the *Tariff Information Catalog.* A proper performance of this work is another means of saving a vast amount of the time of members of Congress. An example of the discrepancies mentioned is to be found in the case of the statistics in regard to the importation of baskets in 1910. A change in the classification of willow baskets caused a decrease of several hundred thousand dollars in the importations, according to the figures shown by the Commerce and Navigation Report. The actual decrease was not large, however. It took considerable of the time of the Ways and Means Committee to find this out, whereas if the *Tariff Information Catalog* had been in existence, the work would have been done and the facts made apparent.

brains were not as good as those of Europeans. To this the Committee assented. Then he added: If the tax on works of art is increased, cannot we manufacture them in this country as well as in Europe? To this all agreeing, the tax was increased."[11]

Probably the waste of time involved is the most serious defect of the committee hearing method of securing information. The following is an example of the kind of cross-questioning, resulting in a great consumption of time without bringing out any very helpful information, which the *Tariff Information Catalog* should help to obviate.

Chairman: The duty on hemp is how much, now?

Witness: It is now $20 a ton on hemp and tow—Russian and Italian hemp and tow.

Chairman: There is no importation of hemp into this country at all now, is there?

Witness: Oh yes, there is. There are importations of Russian hemp; I wish there were not.

Chairman: To what extent?

Witness: I think about 8,000 or 10,000 tons.

Chairman: What is the total production of hemp in this country?

Witness: Well, it is very low. I should think about 8,000 tons.

* * * * * * * * *

Chairman: When was the first duty placed on hemp in this country?

Witness: I do not know.

Chairman: Was not hemp free under the Wilson bill? Was it not on the free list?

Witness: I do not know whether it was or not. It may have been. The price got so low we quit raising it, etc.

Chairman: What has been the falling off in the production of hemp in the last ten years?

Witness: Well, I do not know.[12]

If it be suggested that in revising the tariff, the investigation of a certain industry may be left to some congressman who is particularly interested, it should be borne in mind that under the present complex conditions of business, a congressman may not know the details of all, even perhaps of a small proportion, of the industries in his district. It is further desirable that he shall have a source of ready reference concerning all of the industries, whatever their location, upon whose tariff relations he is to vote.

The Ways and Means Committee of the House began holding tariff hearings last July. The first commodities to be considered were those which come within the classification of "war essentials" (chemicals and dyestuffs, optical and chemical glass, scientific instruments, certain minerals like tungsten and manganese) and a few commodities

[11] *Hearings of Ways and Means Committee, 1908-1909,* vol. VII, p. 7,255.

[12] *Ibid.,* vol. V, p. 4,669.

which, though not essential to the prosecution of the war, had been affected to an extraordinary degree by the abnormal conditions—cotton gloves, for example. The Tariff Commission has furnished information on all these subjects and its experts have been constantly at the beck and call of the Ways and Means Committee, frequently attending hearings and giving advice on disputed technical points. In many cases the committee has had the report of the Tariff Commission printed in handbook form for use at the hearings, and in some instances the report of the Tariff Commission has seemed so complete and satisfactory to members of the industry affected, that they have asked to have the report incorporated, in full, in their testimony.

MARK A. SMITH.

Washington, D. C.

REPORT OF THE CONGRESSIONAL JOINT COMMISSION ON RECLASSIFICATION OF SALARIES. This commission, consisting of three senators and three former members of the House of Representatives, undertook the much needed task of reclassifying the government service and providing for a more equitable and efficient method of appointment, compensation, and promotion. The report (66 Cong., 2 Sess., H. Doc. 686, pp. 1,079) classifies the government into 1,700 services and defines the duties, qualifications, and lines of promotion, showing three or four grades or classes within each service. It is a moderate document involving in the aggregate an increase in the government's bill for employees' salaries of only about 8 per cent. This comparatively slight increase is due to the fact that nearly half of the clerks who have been appointed during the war are now receiving what the commission considers fair rates of compensation. The increase for those who render professional services is considerably higher, as they have not been benefited to the same extent by war positions. The commission provides for an expanded Civil Service Commission, with representation from the clerical and the administrative services, which will have the final adjudication of matters relating to the service. The salary ranges recommended are certainly not excessive, the maximum stated salary for professional services being $5,040, but provision is made for higher salaries, for men who are in the highest grades, by leaving the determination of those salaries to the Civil Service Commission with the consent of Congress.

As a working basis for a reorganization and improvement of the government machine this report, if accepted by Congress, is likely to prove a very valuable piece of work. E. A. GOLDENWEISER.

The United States Tariff Commission has published in its Tariff Information Series, No. 13, *The Acids of Paragraph 1 and Related Materials Provided for in the Tariff Act of 1913* (Washington, 1920, pp. 85). This contains descriptive matter in regard to the uses of the several acids, commercial data as to imports and exports, and prices.

Hearings before the House Committee on Ways and Means on *Anti-Dumping Legislation,* held October 22, 1919, have been printed (Washington, 1919, pp. 36).

The Bureau of Internal Revenue of the Treasury Department, Washington, announces the establishment of the income tax information service consisting of weekly bulletins containing decisions and rulings. A cumulative bulletin will be issued semi-annually. The price of this service is $2 a year.

The *Second Annual Report of the War Finance Corporation* is issued under date of December 3, 1919 (Washington, pp. 13).

Among state reports dealing with taxation are the following:

Eighth Annual Report of the Colorado Tax Commission (Denver, 1919, pp. 152).

Inheritance Tax Law of Georgia as Amended 1919 (Atlanta, pp. 7).

Laws Relating to Assessment and Taxation in Kansas, compiled by the Tax Commission of Kansas (Topeka, 1919, pp. 190).

Revised Instructions to be Observed in the Assessment and Equalization of Property, published by the Tax Commission of Kansas, (Topeka, 1919, pp. 118).

Taxation of Legacies and Successions, issued by the Inheritance Tax Commission of Kansas (Topeka, 1919, pp. 47).

Third Biennial Report of the State Tax Commission of Maryland, February, 1920 (Baltimore, pp. 111).

Massachusetts Income Tax, Rules and Regulations of the Commissioner, Bulletin No. 5, revised January, 1920 (Boston, Commissioner of Corporations and Taxation, pp. 197).

State of Missouri Income Tax Law, October 1, 1919 (Jefferson City, State Auditor, pp. 53).

Communication from the Governor of Virginia submitting the Budget Bill (Richmond, Jan., 1920, House Doc. No. 4, pp. 100).

The *Report of the Special Tax Commission of Georgia* (J. W. LeCraw, secretary, Room 133, State Capitol, Atlanta, 1919, pp. 88) gives some consideration to the experience of other states.

There has been published the *Report of the State Efficiency and Trade Commission of Montana* (Helena, pp. 166).

Eugene M. Travis, state comptroller of New York, in the bulletin for February, 1920, discusses the question of *Increase in Public Expenditures* (Albany, pp. 16).

The *Twenty-ninth Annual Report of the New York Tax Reform Association* summarizes the legislation of 1919 and recommendations with regard to further enactments (29 Broadway, New York, pp. 4).

The Chicago Bureau of Public Efficiency has prepared a memorandum on *The City Bond Issues,* voted upon April 13, 1920, giving reasons for opposing the issues (315 Plymouth Court, Chicago, pp. 19).

The committee on taxation of the Jersey City Chamber of Commerce, in January, circulated a *Referendum* on its report. In the referendum pamphlet is a summary of the committee's recommendations covering changes in the present tax laws and the arguments in favor and opposed.

The Advisory Committee on Policies and Platform of the Republican National Committee has issued a *Questionnaire on Federal Taxation* (19 West 44th St., New York, pp. 15).

T. A. Polleys, tax commissioner of the Chicago and Northwestern Railway (Chicago) has prepared statistical data with regard to the property taxes per acre in South Dakota and Wisconsin.

The Committee on Federal Taxation of the National Association of Credit Men has prepared a memorandum on *Taxation of Income, Excess Profits Tax, Governmental Expenditures, etc.* (1603 South Canal St., Chicago, 1920).

The Free Trade League began in February the issue of a new series of bulletins (E. J. Shriver, secretary, 9 South William St., New York).

Insurance and Pensions

The federal Bureau of Labor Statistics has published the *Proceedings of the Fifth Annual Meeting of the International Association of Industrial Accident Boards and Commission, held at Madison, Wisconsin, September 24-27, 1918* (Washington, Bull. No. 264, 1919, pp. 224).

The *Third Annual Report of the United States Employees' Compensation Commission* covers the period July 1, 1918, to June 30, 1919 (Washington, pp. 185).

Among the documents relating to the investigation of the state insurance fund of New York are the following:

First Preliminary Report to Governor Alfred E. Smith, by Jeremiah F. Connor, May 27, 1919 (Albany, pp. 18).

Answer of the State Industrial Commission to the Report of Jeremiah F. Connor, July 9, 1919 (pp. 114).

Report of Investigation by Jeremiah F. Connor, submitted to the governor, November 17, 1919 (pp. 83).

The Industrial Commission of Wisconsin has published its *Eighth Annual Report on Workmen's Compensation* (pp. 80).

The Guaranty Trust Company of New York has recently summarized *Insurance Results in 1919* treating more particularly of the experience of New York state.